

Which Loans are Prohibited?

Purpose of Loan	Type of Funds	
	Federal (Lender & Borrower Premium Match)	State (Lender Only Premium Match)
Refinance other financial institution debt	eligible	eligible
Restructure CalCAP or other loan (enrolling advance only)	eligible	eligible
Fund any unguaranteed portion of an SBA loan	not eligible	eligible
Purchase any portion of the ownership interest of any owner of the business	not eligible	eligible
Reimburse funds owned to any owner, including any equity injection or injection of capital for the business' continuance	not eligible	eligible
Repay delinquent federal or state income taxes unless the borrower has a payment plan in place with the relevant tax authority	not eligible	eligible
Repay taxes held in trust or escrow	not eligible	eligible
Loan has been made in order to place under the protection of CalCAP prior debt that is not covered under CalCAP and that is or was owed by the Borrower to the Participating Financial Institution or to an affiliate of the Participating Financial Institution (delinquency cannot be refinanced)	not eligible	not eligible
Passive real estate	not eligible	not eligible
Construction or purchase of residential housing	not eligible	not eligible
Refinance own financial institution debt	not eligible	not eligible
Financing a non-business purpose	not eligible	not eligible